

**SUBSTITUTE RESOLUTION BY
COMMUNITY DEVELOPMENT AND HUMAN RESOURCES COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR, ON BEHALF OF THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT, BUREAU OF HOUSING, TO ENTER INTO A HOUSING ASSISTANCE PAYMENTS CONTRACT AMENDMENT WITH LITTON LOAN SERVICING, L.P., IN ORDER TO PARTICIPATE IN THE CITY OF ATLANTA'S SECTION 8 MODERATE REHABILITATION PROGRAM SPONSORED BY THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD), AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta ("City") has administered the Section 8 Moderate Rehabilitation Program ("Section 8") for the past twenty three years in order to provide affordable housing through rental subsidies to very low-income individuals and families; and

WHEREAS, Council authorized the City by legislation 06-R-2067 to enter into a Housing Assistance Payment (HAP) contract with Verona Partners, LLLP ("Verona Partners"), to provide Section 8 housing at the Heritage Square Apartments, located at 350 Lanier Street N.W., Atlanta, Georgia 30318 ("Property") from October 22, 2006 through October 21, 2007 ("Entire Term"); and

WHEREAS, on February 23, 2007 Verona Partners declared bankruptcy before it could execute the HAP contract and its ownership interest in the Property was foreclosed against by their creditor, Litton Loan Servicing, L.P., as agent for US Bank, National Association, as trustee for the C-Bass Mortgage Loan Asset Backed Certificates, Series 2006-SC-1, without recourse ("Litton"); and

WHEREAS, on May 8, 2007 Litton obtained relief from the automatic stay from the bankruptcy court allowing Litton to foreclose upon the property and otherwise exercise its rights and remedies thereto; and

WHEREAS, Litton informed the City that it became the owner of record on July 3, 2007 (the date of foreclosure) and will remain the owner of record until a new owner purchases said property; and

WHEREAS, Litton has expressed its desire to continue the Property's participation in the City's Section 8 program, and has agreed to enter into the HAP contract for its Entire Term, including the October 2006 through February 2007 period during which Verona Partners received payments.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA HEREBY RESOLVES that the Mayor be and is authorized hereby to enter into a Housing Assistance Payment (HAP) Contract Amendment, on behalf of the Department of Planning and Community Development, Bureau of Housing, with Litton Loan Servicing, L.P., as agent for US Bank, National Association, as trustee for the C-Bass Mortgage Loan Asset Backed Certificates, Series 2006-SC1, without recourse ("Litton") in an amount not exceed two hundred twelve thousand seven hundred fifty dollars (\$212,750.00).

| | | | |
|-----------------------|-------------------|----------------|------------------------|
| <u>Property Owner</u> | <u># of Units</u> | <u>Funding</u> | <u>Contract Period</u> |
| Litton Loan Servicing | 38 | \$212,750.00 | 10/22/06 to 10/21/07 |

BE IT FURTHER RESOLVED, that all charges shall be paid from Fund, Account, and Center Number 1B02 529002 Y46P0215BBB0.

BE IT FURTHER RESOLVED, that in the event that the aforesaid property owner fails to comply with the terms and conditions of the contract amendment, the Mayor or her designee, or the Commissioner of the Department of Planning and Community Development, can terminate such amendment with the proper notice.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare the appropriate contract amendments for execution by the Mayor.

BE IT FINALLY RESOLVED, that the contract amendment shall not become binding on the City and the City shall incur no obligation or liability upon same until such amendment has been signed by the Mayor, attested to by the Municipal Clerk, approved by the City Attorney as to form, and delivered to Litton Loan Servicing, L.P.